

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 2583

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 3, 2022

The Senate Economic Growth Committee reports favorably Senate Bill No. 2583, with committee amendments.

As amended and reported, this bill establishes the “Veteran-Owned Business Contract Financing Loan Program” (loan program) within the New Jersey Economic Development Authority (EDA) to assist veteran-owned businesses in the performance of public contracts.

Specifically, the loan program would provide low-interest loans to veteran-owned businesses that have secured a public contract but lack the financial resources necessary to perform the contract. Under the bill, the EDA would approve applications for the loan program on a rolling basis, subject to the availability of funds. However, the EDA would give preference to applications submitted by service-disabled veteran-owned businesses.

Under the bill, a program loan may not exceed \$500,000 and may only be used to support working capital, purchase equipment, and finance other expenses incurred in the performance of the contract. The bill also requires each program loan to be secured through the assignment of contract payments to the EDA. Additionally, the bill provides that each program loan would mature no later than the term of the public contract, except as otherwise extended by the EDA.

Notably, the bill appropriates \$5 million from the General Fund to the EDA to support the operations of the loan program. These monies would be deposited into a non-lapsing revolving loan fund, known as the “Veteran-Owned Business Contract Financing Loan Fund,” which the EDA would be required to administer for the purposes of the loan program.

The committee amendments provide technical changes to the bill to correct a statutory citation, include the “Administrative Procedure Act” in certain statutory references, and clarify the administrative entity responsible for amending, adopting, or readopting the initial rules and regulations promulgated under the bill.